

Message Text

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PAGE 01 DUBLIN 01648 141902Z

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SUBJ: EXPORT PROMOTION QUESTIONNAIRE: EFFECTIVENESS IN
OVERSEAS COMMERCIAL FUNCTION

REF: A. STATE 238849; B. STATE 239800

1. THIS CABLE RESPONDS TO REQUESTS IN REF A REGARDING EXPORT PROMOTION TECHNIQUES IN IRELAND UNDERTAKEN BY IRISH EXPORT BOARD. HOWEVER, WE BELIEVE THAT OVER-ALL PHILOSOPHY AND STRATEGY OF EXPORT PROMOTION AS PRACTICED IN IRELAND HAS RELEVANCE TO EFFORTS TO IMPROVE EFFECTIVENESS OF U.S. EXPORT PROMOTION, AND THEREFORE SUBMIT THIS AS PARTIAL RESPONSE TO SECRETARY'S REQUEST IN REF B. EMBASSY ALSO INTENDS TO FOLLOW THIS CABLE WITH A FEW SPECIFIC RECOMMENDATIONS FOR IMPROVEMENTS IN OVERSEAS COMMERCIAL FUNCTION.

2. ECON/COMMOFF DISCUSSED IRISH EXPORT BOARD TECHNIQUES WITH BOARD'S DYNAMIC YOUNG GENERAL MANAGER TOM GARVEY. MATERIAL GIVEN BELOW IS UNCLASSIFIED BUT EMBASSY WOULD APPRECIATE DEPARTMENT PROTECTING SOURCE TO HELP PRESERVE EXCELLENT RELATIONS WE HAVE WITH GARVEY AND EXPORT BOARD.

3. IN GENERAL TERMS, IRISH EXPORT BOARD IS BOTH UNIQUE AND PARTICULARLY EFFECTIVE FOR TWO REASONS:
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PAGE 02 DUBLIN 01648 141902Z

A) IT OPERATES LIKE A BUSINESS, NOT LIKE A GOVERNMENT AGENCY.

IT HAS A CORPORATE PLAN, IN WHICH KEY TASKS AND STANDARDS OF PERFORMANCE ARE LAID OUT AND PERIODICALLY REVIEWED AND EVALUATED. AHTOUGH IT IS A STATE-SPONSORED BODY WITH A BOARD APPOINTED BY THE MINISTER FOR INDUSTRY AND COMMERCE, IT HAS MAINTAINED ITS INDEPENDENT OF THE GOVERNMENT. IT HAS BEEN FREE TO PROMOTE FIRMS WHICH APPEAR BEST SUITED TO BENEFIT FROM ITS ASSISTANCE, NOT JUST ANY OR ALL FIRMS.

B) FOUNDED IN 1952, EXPORT BOARD HAS GROWN WITH AND DIRECTLY PROMOTED IRISH INDUSTRY IN THE PROCESS OF PROMOTING IRISH EXPORTS. IRISH INDUSTRY IS HIGHLY EXPORT ORIENTED. DURING THE LAST 20 YEARS, IRISH INDUSTRIAL EXPORTS HAVE RISEN FROM 15 MILLION POUNDS STERLING IN 1952, TO 54.2 MILLION IN 1962, AND 347 MILLION IN 1972. EXPORT PRICES ROSE 64.3 PERCENT BETWEEN 1962 AND 1972 (PRICES FOR 1952 NOT AVAILABLE), BUT NEVERTHELESS GROWTH IN VOLUME OF IRISH INDUSTRIAL EXPORTS HAS BEEN PHENOMENAL. BECAUSE BOARD ORGANIZED AT SAME TIME AS INDUSTRY BEGAN IN ANY LARGE WAY IN IRELAND, ITS STAFF KNOWS EVERYONE AND IS ABLE TO TAILOR ITS SERVICES TO INDIVIDUAL FIRMS, IN A CUSTOM-MADE WAY. (WHILE US TRADE PROMOTION NECESSARILY HAS TO BE ON A BROAD SCALE, WE MIGHT LOOK HARDER AT TAILORING COMMERCIAL SERVICES TOWARD SPECIFIC NEEDS OF SPECIFIC FIRMS.)

4. LOCATION OF LICENSES ABROAD:

A) EXPORT BOARD VERY RARELY LOCATES FOREIGN FIRMS TO PRODUCE GOODS ABROAD UNDER LICENSE FROM IRISH FIRMS. TO THE EXTENT THAT SUCH LICENSES DRAW REVENUE TO IRISH FIRMS AND IMPROVE BALANCE OF PAYMENTS, LOCATION OF SUCH LICENSES IS REGARDED AS EXPORT PROMOTION. "SERVICE" IS REARELY USED, AND EFFECTIVENESS HAS NOT BEEN MEASURED.

B) EXPORT BOARD PLAYS A SIGNIFICANT AND INCREASING ROLE IN NEW PRODUCT DEVELOPMENT FOR IRISH INDUSTRY AND AMONG MOST IMPORTANT SOURCES ARE PRODUCTS WHICH IRISH FIRMS ARE LICENSED TO MANUFACTURE BY FOREIGN FIRMS. BOARD TAKES ACTIVE ROLE IN SEARCHING OUT NEW PRODUCTS. LIMITED OFFICIAL USE

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PAGE 03 DUBLIN 01648 141902Z

MUCH OF THIS PRODUCTION IS EXPORTED, DEVELOPMENT OF NEW EXPORTABLE PRODUCTS IS DEFINITELY REGARDED AS EXPORT PROMOTION. EFFECTIVENESS HAS NOT BEEN MEASURED OR QUANTIFIED.

5. INCENTIVE GRANTS FOR NEW ADVERTISING AND SALES PROMOTION ARE AWARDED FROM TIME TO TIME AS REQUESTED BY INDIVIDUAL FIRMS. THEY ARE CASH GRANTS GIVEN

AGAINST EVIDENCE OF PERFORMANCE. GRANTS ARE GIVEN ON CASE BY CASE BASIS, AFTER CONSULTATION WITH FIRMS, DISCUSSION OF PLANS, TARGETS, AND VALIDATION OF POTENTIAL MARKET. EXPORT BOARD REPRESENTATIVES IN TARGET MARKET COUNTRIES CONSULT AS TO APPROPRIATENESS OF ADVERTISING. WHETHER FIRM HAS OWN SALES FORCE AND HAS ADVERTISED ALREADY ARE FACTORS IN AWARD DECISION. PROGRAM HAS BEEN RUNNING FOR 6 OR 7 YEARS, IS BELIEVED EFFECTIVE, BUT HAS NOT BEEN MEASURED.

6. EXPORT BOARD DOES NOT RECRUIT SALESMEN IN FOREIGN MARKETS FOR NEW-TO-MARKET FIRMS.

7. AS INDICATED IN PARA 4B (ABOVE), ONE OF EXPORT BOARD'S MAIN FUNCTIONS IS DESIGN AND DEVELOPMENT OF NEW PRODUCTS. EXPORT BOARD HAS ITS OWN DESIGN SECTION AND OWNS THE KILKENNY DESIGN WORKSHOPS, WHERE CONSUMER PRODUCTS WITH DISTINCTLY IRISH DESIGN AND CHARACTERISTICS ARE DEVELOPED. EXPORT BOARD ALSO ASSISTS IN INDUSTRIAL DESIGN AND DEVELOPMENT OF GRAPHICS AND PACKAGES. BOARD'S MARCH 1972-MARCH 1973 DESIGN BUDGET TOTALED 310,000 POUNDS STERLING, OF WHICH 245,000 SPENT FOR KILKENNY DESIGN WORKSHOPS. BOARD ALSO PROVIDES INCENTIVE GRANTS TO DEFRAY CONSULTANT DESIGNER'S FEES. EXPORT BOARD DESIGN STAFF EXCLUSIVELY ORIENTED TOWARDS MAXIMIZING SALES OF IRISH PRODUCTS. RESULTS OF PROGRAM NOT QUANTIFIED, AND PROGRAM HAS NOT BEEN EVALUATED. EXPORT BOARD INVOLVEMENT IN PRODUCT DESIGN AND DEVELOPMENT CONSIDERED UNIQUE, WITH EXCEPTION OF JAPAN'S JETRO.

8. EXPORT BOARD DOES NOT RUN TRAINING COURSES PER SE FOR EXPORT SALES EXECUTIVES. IT DOES ASSIST LIMITED OFFICIAL USE

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PAGE 04 DUBLIN 01648 141902Z

IRISH MANAGEMENT INSTITUTE IN SEMINARS, AND HAS RUN OR HELPED ORGANIZE OCCASIONAL ONE OR TWO DAY SEMINARS ON SUCH SUBJECTS AS SELLING IN EASTERN EUROPE OR POTENTIAL MARKETS DERIVING FROM OFFSHORE OIL AND GAS EXPLORATION. BOARD DOES PROVIDE ADVICE AND ASSISTANCE ON MECHANICS OF EXPORTING ON A CASE BY CASE BASIS BUT DOES NOT UNDERTAKE EXPORT SALES TRAINING.

9. EMBASSY POUCHING, MARKED ATTENTION OFFICE OF ECONOMIC RESEARCH, COPY BOARD'S BROCHURE "SERVICES FOR EXPORTERS" WHICH DESCRIBES VARIOUS SERVICES PROVIDED BY BOARD. PLEASE ADVISE IF ADDITIONAL INFORMATION NEEDED. MOORE

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